

# Onassis Settles With U. S. for \$7 Million

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The Justice Department ended its differences with fabulously Greek shipping magnate Aristotle Socrates Onassis yesterday for slightly more than \$7 million in a civil settlement and \$160,000 in criminal fines.



Onassis

Six corporations, supposedly controlled by Onassis, pleaded guilty before District Court Judge Luther W. Youngdahl of conspiring to defraud the United States in connection with the purchase of surplus American vessels after World War II.

The corporations were fined a total of \$160,000, while similar criminal charges against four individuals, including Onassis, were dismissed at the Government's request.

Earlier in the day, Assistant Attorney General Warren E. Burger announced the settlement for approximately \$7 million of the Government's civil claims against Onassis and the interests he allegedly controls.

The twin agreements consum-

mated yesterday virtually brought to a close the massive litigation created by shipping scandals first unearthed by a Senate Government Operations Subcommittee in 1951.

Thirteen indictments and a number of civil cases resulted from the disclosures that American surplus freighters and tankers had been bought by alien-controlled corporations in violation of the Merchant Ship Sales Act of 1946.

In the civil settlements of all the shipping cases, Burger said, the United States should realize a total of some \$26.5 to \$28.5 million. This includes the \$7 million from Onassis and \$4 to \$6 million expected to be the amount of a final settlement between the Justice Department and Greek ship owner Stavros Niarchos within a week.

Yesterday's civil settlement covers 22 ships. These include 13 tankers, two Liberty ships and seven Victory ships with a total tonnage of 311,700 tons. Another ship was lost at sea.

Seventeen of these vessels already had been seized by the United States prior to yesterday, while five have not put into American ports in recent years.

According to Burger, the

agreement has two major points:

1. The United States receives \$6,600,000 in cash and release claims by the Onassis interests against the Government for about \$400,000. Another \$500,000 will be paid the United States for arrears, in principal and interest, on outstanding Maritime Administration mortgages on some of the ships.

2. Onassis has been given until April 30 in which to purge the corporations owning the vessels of any alien control. "He personally has to satisfy the Department of Justice that he relinquishes majority control," Burger said.

Onassis is an Argentine citizen of Greek descent who was born in Turkey. He was a penniless immigrant to Argentina at the age of 18 and now, at 48, is reputed to be worth more than \$300 million.

Onassis and Niarchos are brothers-in-law. Since World War II they have been rivals in the lucrative business of transporting oil from the Middle East all over the world. In 1953 Onassis bought the Monte Carlo Casino and made it the home office for his widespread shipping empire.

Under the settlement provisions, the corporations owning

the ships must be reorganized to insure ownership of the vessels by American citizens.

When the criminal matter came up before Judge Youngdahl yesterday, Allen J. Krouse, the Justice Department lawyer, who headed a team of Government attorneys working on the ship cases since 1951, announced the civil settlement.

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